

ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016
COMMITTEE STATEMENT
LB960

Hearing Date: Tuesday February 16, 2016
Committee On: Appropriations
Introducer: Smith
One Liner: Adopt the Transportation Innovation Act and provide transfers from the Cash Reserve Fund

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 9 Senators Bolz, Cook, Haar, Hilkemann, Kintner, Kuehn, Mello, Stinner, Watermeier
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Senator Jim Smith
Kyle Schneweis
Fred Uhe
Douglas Leafgreen
Rick Kuckkahn
Bill Avery
Brett Niebur
Dirk Petersen

Matt Tondl

Steve Riehle

Marlene Johnson

Ernie Goss
Richard Thomas
Jessica Kolterman
Thomas Shafer
Laura Field
Matthew Kruse
Richard Reiser
K.C. Belitz

Jack Cheloha
Lisa Hurley

Representing:

Introducer
Nebraska Department of Roads
Sarpy County Board, Sarpy County Public Works
Highway Commission
Nebraska League of Municipalities, City of Scottsbluff
Lancaster County Board of Commissioners
Associated General Contractors Nebraska
Nebraska Petroleum Marketers, NUCOR, 4 Lanes 4
Nebraska, Nebraska State Chamber, Nebraska Bankers
Association
American Council of Engineering Companies, Greater
Omaha Chamber, Lincoln Chamber of Commerce
Nebraska Association of County Highway
Superintendents, Nebraska Association of County
Officials
City of West, League of Nebraska Municipalities,
Nebraska Expressways for Economic Development
4 Lanes 4 Nebraska
Design-Build Institute of America - Nebraska Chapter
Nebraska Farm Bureau
City of Lincoln
Nebraska Cattlemen
Professional Engineers Coalition
Nebraska Trucking Association
Nebraska Economic Developers Association, Columbus
Area Chamber
City of Omaha
York County Development Corporation

Opponents:

Mark Mainelli

Representing:

Mainelli Wagner & Associates Inc.

Neutral:

Tiffany Joekel

Pat Dingman

Scott Japp

Representing:

Open Sky Policy Institute

Lancaster County Emergency

self

Summary of purpose and/or changes:

LB 960 would adopt the Transportation Innovation Act. The Act would establish, prescribe the authority of, and create the Transportation Infrastructure Bank Fund, provide a statement of legislative intent and prescribe reporting requirements for the Nebraska Department of Roads relating to the completion of the Nebraska expressway system, and provide authority to the Nebraska Department of Roads to implement and utilize alternative contracting methods for the construction of state transportation projects.

Three new programs are created and are funded by transfers of up to \$150 million from the Cash Reserve Fund to the Transportation Infrastructure Bank Fund between July 1, 2016 and June 30, 2023, as well as a pledge of up to \$150 million of state motor fuel taxes collected during the same time period.

- Accelerated State Highway Capital Improvement Program - The purpose of this program is to accelerate capital improvement projects. Eligible projects will be chosen by the department and include the expressway system, federally designated high priority corridors, and needs-driven capacity improvements. This program terminates on June 30, 2033.

- County Bridge Match Program - The purpose of this program is to promote innovative solutions and provide additional funding to accelerate the repair and replacement of county bridges. The program will be designed and administered by the department. Details of the program are to be published by October 1, 2016. This program terminates on June 30, 2019.

- Economic Opportunity Program - The purpose of this program is to finance transportation improvements to attract and support new businesses and business expansions. The program will be developed and administered by the Department of Roads in consultation with the Department of Economic Development. Details of the program are to be published by January 1, 2017. This program terminates on June 30, 2033.

The remainder of the bill provides the authority for the department to solicit and execute design-build contracts and construction manager-general contractor contracts.

Explanation of amendments:

The Committee amendment would make the following changes to the bill:

Incorporates technical changes to the design-build and construction manager-general contractor portions of the bill as suggested by the Department of Roads.

Reduces the amount transferred from the Cash Reserve Fund to the Transportation Infrastructure Bank Fund from \$150 million between July 1, 2016 and June 30, 2023, to a one-time transfer of \$50 million in July, 2016.

Eliminates the pledge of \$150 million of fuel taxes between July 1, 2016 and June 30, 2023 and replaces it with the actual transfer to the Transportation Infrastructure Bank Fund of more than \$400 million of fuel taxes generated by LB 610 (2015) between July 1, 2016 and June 30, 2033.

The amount of funding for the County Bridge Match Program is earmarked at no more than \$40 million and the sunset

date is extended from June 30, 2019 to June 30, 2023.

The amount of funding for the Economic Opportunity Program is earmarked at no more than \$20 million.

Requires the details of the County Bridge Match Program and the Economic Opportunity Program to be presented to the Appropriations Committee and the Transportation and Telecommunications Committee by December 1, 2016.

Inserts language that no project shall be approved through the Economic Opportunity Program without an economic impact analysis proving positive economic impact.

Provides that the unobligated balance in the Transportation Infrastructure Bank Fund on June 30, 2033 shall be transferred to the Cash Reserve Fund.

Requires the Department of Roads to annually report on the outcome of the Economic Opportunity Program including the growth in permanent jobs and related income, and the net increase in overall business activity.

Heath Mello, Chairperson